

Message from the Executive Director

Like all other agencies in state government, the Gaming Commission has devoted itself over the past year struggling to find ways to continue to provide adequate service in the face of dwindling resources. The Commission receives no general revenue and is funded entirely from fees paid by gaming operators. However, the shortage of officers available to the Missouri State Highway Patrol and the increased need for homeland security has resulted in severe cutbacks in the officers available to assign to the regulation of gaming.

As the chart on the following page depicts, the total number of patrol officers assigned to road duty is greater now than it was before the first riverboats were licensed in 1994. The troopers assigned to riverboats in the mid-1990s came from an increase in new recruits. However, the recent increase in demand for law enforcement personnel has resulted in an alarming number of patrol officers leaving for higher paying jobs with other departments. In addition, the nationwide demand for qualified law enforcement personnel has caused the number of people entering new recruiting classes to fall off sharply.

The combined effect of these factors has left the Commission field enforcement staff at dangerously low levels. Such staffing levels put Commission agents almost entirely in a reactive mode, only able to respond to emergencies or attend to the highest priority issues. In contrast to recent years during which the Commission established its elite reputation as a strict enforcer of gaming laws, agents are unable to take proactive measures to discover or prevent unlawful activity.

As explained on page 13, we have seen a noticeable decline in the number of arrests, which we believe is directly correlated to the shortage of agents. The Commission and its staff understand the increased demand placed on the Highway Patrol and the shortage of resources throughout state government. We appreciate the efforts of the Highway Patrol leadership to work with us to avoid crisis level staffing shortages. If these trends continue, it will become apparent that creative solutions will be necessary to address the staffing needs. We look forward to working with the General Assembly to solve these problems so that we can once again provide a proactive presence at Missouri casinos intent on protecting the public, securing public assets, maintaining regulatory integrity and preventing criminal activity.

In June 2002, the staff presented its analysis of the St. Louis metropolitan area gaming market to the Commission. The analysis clearly shows that there is unmet demand for gaming product in the southern region of the metro area.

As the Commission cautiously approaches market expansion, a primary goal is to accept only the highest quality gaming operation. It will also look favorably upon options to upgrade or replace existing facilities to make the current marketplace more efficient. Furthermore, the Commission staff agrees with St. Louis Mayor Francis Slay that the casino in downtown St. Louis is not representative of the quality of facilities we have come to expect in Missouri. Thus, the city is pursuing a developer for an upgraded facility in downtown St. Louis that offers the quality and non-gaming amenities similar to



A handwritten signature in black ink, appearing to read "K. P. M. Slay".



those in suburban St. Louis and the Kansas City metropolitan area.

Although the staff had originally scheduled consideration of expansion projects in the St. Louis market to begin in September, the recent bankruptcy filing by President Casinos, Inc. and the downturn in the national economic markets has persuaded the Commission to delay the beginning of this process until early 2003.

On pages 30-33 of this report you will find an account of the Commission's problem gambling programs. Missouri continues to receive international accolades for its innovative approach to problem gambling prevention and the assistance it provides to those who become problem gamblers. We hope each of you will take time to view the Missouri Alliance to Curb Problem Gambling's video educating young people about the dangers of addictions. I am certain it will win a number of awards. I am also impressed that it was created and produced entirely by state employees and volunteers, including many children of state employees.

The Governor's office continues to provide the staff with excellent leadership through the appointment of quality Commissioners. The staff has benefited greatly from the experience and wisdom of this group of citizens who sacrifice a great deal in the course of their public service. They are called upon to make difficult decisions about controversial subjects and we hope you recognize their vital contribution to the effective regulation of gaming in Missouri.

Finally, I take this opportunity to express my appreciation and gratitude for another year of outstanding work by the Gaming Commission staff. The budget crisis has placed state employees in a difficult position. The staff is responding positively to our quest to establish a more competitive atmosphere within the workplace and our emphasis on the need to continually strive to get better. Yet budget shortfalls have left them without pay increases for the past two years. State employees understand that with government service comes certain sacrifices. However, we cannot ignore the fact that our staff is working smarter and harder than they were two years ago, but are, in effect, being paid less for their efforts. While there are many important causes that have suffered during these difficult times, we hope policy makers recognize the important contribution of the state's employees and place their financial needs among the highest priorities in the upcoming fiscal year.

Missouri State Highway Patrol Trends in Number of Road Officers				
DATE	AUTHORIZED	COMMISSIONED	ROAD	% ROAD
2/1/1993	889	862	568	65.89%
6/17/1993	889	889	599	67.38%
12/15/1995	943	864	597	69.10%
6/15/1996	983	953	685	71.88%
10/15/1996	983	929	675	72.66%
1/1/1997	983	975	715	73.33%
12/15/1998	993	966	698	72.26%
12/15/1999	993	948	668	70.46%
12/15/2000	1,012	945	665	70.37%
12/15/2001	1,012	953	666	69.88%
7/15/2002	1,012	938	662	70.58%